

ADMINISTRATIVE AGREEMENT

This Administrative Agreement ("Agreement") is made between the United States Army ("Army"), acting through its Suspension & Debarment Official ("SDO") and D & N Electric Company, DNS Consolidated, Inc., Michael Munroe and Matthew Armstrong ("Respondents") for determining the present responsibility of the Contractor.

A. PREAMBLE

1. D & N Electric Company, founded in 1970, is an Atlanta based electrical contractor serving owners, developers and general contractors in the Southeast. In 2009, the U.S. Army Corps of Engineers (USACE) awarded M.A. Mortenson ("Mortenson") and Walbridge Aldinger ("Aldinger") a series of construction contracts for building projects for the Army at Fort Stewart and Fort Benning, Georgia. Mortenson and Aldinger subcontracted with Respondents for the provision of electrical parts and services.

2. On 21 November 2011, Christian Jon Shockley ("Relator") filed a *qui tam* lawsuit under seal, in the U.S. District Court for the Middle District of Georgia, Columbus Division. The Relator sought treble damages and civil penalties from D&N Electric Company and DNS Consolidated, Inc. alleging that Respondents made false certifications, statements, and false claims, in violation of the Civil False Claims Act, 31 U.S.C. §§ 729 et seq., when they falsely certified that the construction materials they used were in compliance with the Buy American Act ("BAA"), 41 U.S.C. §§ 8301 et seq.

3. On 12 April 2013, the Respondents through their principals, Matthew Armstrong, (Mr. Armstrong), and Michael Munroe, secretary of DNS Consolidated, Inc. (Mr. Munroe), signed a settlement agreement with the Department of Justice (DOJ) to resolve the *qui tam* lawsuit. In this settlement, Respondents agreed to pay \$76,966.00.

4. The settlement agreement with DOJ did not include an admission of liability. It stated that the United States contended that non-compliant items were provided by certain suppliers and some of those items were used or installed by certain employees of Respondents. In order to assure its present responsibility, Respondents agree to take the remedial actions specified in Section C, Contractor Responsibility Program, subject to the terms and conditions described in Section D, General Conditions, and Section E, Administration of Agreement.

5. The Army has determined that the terms and conditions of this Agreement, if complied with, provide adequate assurance that the interests of the Government will be sufficiently protected to lift the proposed debarment of 9 December 2013. The Army will also remove Respondents from the System Award Management ("SAM") list pursuant to the current disposition of facts and circumstances.

6. This Agreement is effective for a period of one year (12 months) from the Effective Date.

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NOW THEREFORE, in consideration of the promises set forth herein and for good and valuable consideration, the parties mutually agree as follows.

B. DEFINITIONS

1. "Contractor" refers to D & N Electric Company, DNS Consolidated, Inc., Michael Munroe, Matthew Armstrong, and its divisions, operating units, and groups, as appropriate, including its directors, officers, and employees, while acting in their capacities as such. DNS Consolidated, Inc. is now defunct and to the extent this agreement requires the Contractor to take action or institute programs, there is no requirement for separate and additional action on behalf of DNS Consolidated, Inc. In addition, as Michael Munroe and Matthew Armstrong are employees of D & N Electric Company there is no requirement for separate and additional action on their behalf.

2. "Days" refers to "calendar days."

3. "Effective date" (of this Settlement Agreement) refers to the date on which the Army's Suspension and Debarment Official signs this Agreement on behalf of the Army.

4. "Employee" refers to officers, managers, and supervisors. All other full and part-time workers, whose performance is under the direct supervision and control of the Contractor, will be considered "employees" solely for training purposes. Consultants and temporary workers shall be made aware of the compliance agreement and the standing Contractor Responsibility Program, and, to the extent engaged in the formation or administration of government contracts, furnished copies of the Code of Conduct and the Government Contracting Policies and Procedures.

5. "Ethics Program Director" refers to a managerial officer of the Contractor who will be the first point of contact for all questions regarding the terms and conditions of this Agreement.

6. "FAR" refers to the Federal Acquisition Regulation.

7. "Government" refers to any department, agency, division, independent establishment, or wholly owned corporation of the United States Government. Specific points of contact for this Agreement are the SDO and the United States Army Legal Services Agency, Contract and Fiscal Law Division, Procurement Fraud Branch and their designees.

8. "Independent cause" for suspension or debarment refers to a reason or basis for such action not directly related to information set forth in the Preamble or any document referred to in the Preamble.

C. CONTRACTOR RESPONSIBILITY PROGRAM

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1. General. Contractor shall institute a Contractor Responsibility Program involving all its employees. The program shall be designed to ensure that Contractor maintains the high standard of business integrity and honesty required of Government contractors and that Contractor's performance of Government contracts is in strict compliance with their terms. At a minimum, the Program shall include the following features, which are described in greater detail below:

- a. Notification to employees of this Agreement;
- b. Adoption of a Code of Business Ethics and Conduct;
- c. Publication of a Government Contracting Policies and Procedures Manual;
- d. Establishment and conduct of a training program in business ethics and Government contracting for all Contractor employees;
- e. Appointment of an Ethics Program Director;
- f. Installation of an employee hotline to report suspected instances of improper conduct.

2. Notification of This Agreement. Within 45 days of the effective date of this Agreement, Contractor's President shall prepare and display, in a prominent place accessible to all employees, a letter stating that Contractor has entered into an administrative settlement agreement with the Army. A copy of the President's letter will be forwarded to the Army for approval prior to distribution and will describe this Agreement and Contractor's responsibilities thereunder. The letter shall state:

- a. The basis for this Agreement;
- b. Contractor's commitment to observe all applicable laws and regulations, and to maintain the highest standards in conducting business with the United States Government;
- c. A brief description of the features of the Contractor Responsibility Program;
- d. The name, address, and toll-free hotline and local telephone number of the Contractor's Ethics Program Director;
- e. The availability of the Ethics Program Director for consultation on any questions concerning Contractor's business practices or employee responsibilities, including required reporting of improprieties; and

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f. That all improprieties regarding Government operations shall be reported to the Ethics Program Director who will conduct an investigation followed by appropriate corrective action, and that employees may make such reports without revealing their identity.

3. Code of Business Ethics and Conduct.

a. Contractor shall create, maintain, and revise, as necessary, a Code of Business Ethics and Conduct ("Code"). The Code shall be designed to ensure that Contractor maintains the business integrity and honesty required of a Government contractor, and that Contractor's performance is in strict compliance with the terms and conditions of its Government contracts.

b. Within 45 days of the effective date of this Agreement, Contractor shall submit a draft Code of Business Ethics and Conduct to the Army for written approval. If the Army objects to the Code of Business Ethics and Conduct, Contractor shall promptly revise the Code to meet the Army's objections and resubmit it for approval.

c. Elements of the Code of Business Ethics and Conduct. The Code shall include at a minimum:

(1) A statement of Contractor's commitment to comply with the contractor responsibility provisions of the FAR and all other applicable laws and regulations concerning the conduct of Government contracting or subcontracting;

(2) A statement of Contractor's commitment to fully cooperate with any Government agencies responsible for either investigation or corrective actions;

(3) Specific standards of conduct for Contractor employees concerning their business dealings with the Government on behalf of Contractor;

(4) Notice that Contractor will immediately discipline, to include termination if appropriate, employees or officers whose conduct violates applicable laws, regulations, or the basic tenets of business integrity and honesty set forth in the Code of Business Ethics and Conduct;

(5) A requirement that Contractor employees report to the Ethics Program Director any impropriety or violation of this Agreement, whether committed by Contractor, a vendor, a subcontractor, or a Government employee; and

(6) Any provisions that pertain to an individual contractor's misconduct that this Agreement is designed to prevent, e.g., product substitution, compliance with the Buy American Act, antitrust violations, timecard reporting, compliance with the Prompt Payment Act in paying subcontractors, prohibition on offering or receiving gifts or gratuities from or to suppliers or Government personnel, etc.

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4. Government Contracting Policies and Procedures Manual.

a. Contractor shall establish and maintain a written Government Contracting Policies and Procedures Manual ("Manual") to regulate the performance of its Government contracts. The Manual shall describe, in detail, Contractor's method for competing for and administering Government contracts and the positions responsible for performing, approving, and reviewing these tasks.

b. Contractor management shall monitor employee compliance with the policies and procedures set forth in the Manual, and consider such compliance when making decisions concerning personnel decisions, including compensation.

c. Within 60 days of the effective date of this Agreement, Contractor shall submit a draft Manual to the Army for written approval. If the Army objects to the Manual, Contractor shall promptly revise it to meet the Army's objections and resubmit it for approval. At a minimum, the Government Contracting Policies and Procedures Manual will be updated annually.

5. Training Program.

a. Army Approval of Training Plans. Within 60 days of the effective date of this Agreement, Contractor shall provide the Army a training plan with a detailed description of course materials it intends to use in ethics and Government contracting training classes. If the Army rejects a plan, Contractor will promptly propose another plan.

b. Ethics Training. Within 60 days of the approval of the training plan by the Army, pursuant to paragraph a above, Contractor shall provide all its employees with a copy of its Code of Business Ethics and Conduct and conduct initial training in business ethics and conduct. All employees shall sign and date a roster, certifying that they attended training and received and read a copy of the Code of Business Ethics and Conduct. Contractor shall ensure that newly hired employees receive training, a copy of the Code of Business Ethics and Conduct, and sign and date a roster certifying they attended training and received and read a copy of the Code.

c. Government Contracting Training. Within 60 days of the approval of the training plan by the Army, pursuant to paragraph a above, Contractor shall provide employees directly involved with Government contracts specialized training in laws, regulations, and contractor policies and procedures related to Government contracting. These employees shall sign and date a roster certifying they attended the training and were familiarized with the Government Contracting Policies and Procedures Manual, which is readily accessible to them.

d. Frequency and Certification of Training. Contractor shall conduct and update all ethics and Government contracting training and employee certifications annually. The Ethics Program Director

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shall maintain all employee certification rosters for ethics and Government contracting training and make them available to the Army upon request.

e. Notice of Training. Contractor will provide the Army a schedule of all ethics and Government contracting training sessions at least 15 days in advance, so the Army may attend the training.

6. Ethics Program Director. Contractor shall appoint a managerial officer as the Ethics Program Director and revise that employee's job description for this duty. The Ethics Program Director shall serve as the Contractor's first point of contact for all questions regarding the terms and conditions of this Agreement and Contractor implementation of this Agreement, investigate complaints concerning Contractor's compliance with this Agreement, and report to the Army concerning Contractor's compliance with this Agreement. Within 45 days of the effective date of this Agreement, Contractor shall provide the name, current position, resume, and organizational status of the proposed Ethics Program Director to the Army for approval. Any change in the Ethics Program Director shall require prior Army approval.

7. Hotline.

a. General. Within 30 days of the effective date of this Agreement, Contractor shall establish and maintain a toll-free "hotline" number by which employees may report to the Ethics Program Director suspected incidents of improper conduct, to include fraud, waste, and abuse, or violation of the terms of any contract or this Agreement. The "hotline" number and the name and address of the Ethics Program Director shall be prominently displayed in all employee work and break areas, and included in all appropriate internal employee and management publications. These notifications shall describe the hotline's purpose, and explain that reports may be made anonymously, that all anonymous reports will be acted upon in the same manner as identifiable reports.

b. Hotline Log. The Ethics Program Director shall maintain a log of all hotline calls, to include: date and time of call; identity of caller, if disclosed; summary of allegation or inquiry; and general resolution or referral. The Ethics Program Director shall ensure that each call is adequately investigated and resolved. Hotline investigation reports shall be provided to the Army. Contractor shall not assert an attorney-client or work-product privilege with respect to the hotline log, investigative reports, or their contents.

9. Reports to the Army. The Ethics Program Director shall submit a semi-annual report to the Army that is postmarked no later than seven days after the first day of the month six months from the effective date of the Agreement, as appropriate, and every six months thereafter until this Agreement has expired. The report shall include:

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a. A description of the training conducted that is required by this Agreement and the number of persons who attended, including a statement of the percentage of total employees trained year to date as of the date of the report.

b. The total number of hotline calls and other contacts made or referred to the Ethics Program Director. This part of the report shall include:

(1) The means by which any alleged misconduct was reported (e.g., call, letter, or drop-in visit, etc.);

(2) The category of any alleged misconduct (e.g., product substitution, mischarging, defective pricing, etc.) and a brief descriptive summary thereof;

(3) Whether the alleged misconduct was substantiated, in whole or in part;

(4) Whether disciplinary action was imposed and if so, a description of that action; and

(5) Whether corrective measures other than disciplinary action taken and if so, a description of those actions. Matters pending resolution at the time of a reporting period shall be included in each subsequent report until final resolution of all matters is reported.

D. GENERAL CONDITIONS

1. Unallowable Costs. All costs, as defined in FAR 31.205-47, incurred for or on behalf of Contractor in response to or in preparation of Government criminal, civil, or administrative actions arising out of alleged violations described in the Preamble, and all costs incurred by Contractor in negotiating, implementing and abiding by the terms of this Agreement, shall be deemed unallowable costs, direct or indirect, for Government contract purposes. These unallowable amounts shall be separately accounted for by Contractor by identification of costs incurred: a) through accounting records to the extent possible; b) through memorandum records, including diaries and formal logs, regardless of whether such records are part of official corporate documentation, where accounting records are not available; and c) through good faith itemized estimates where no other accounting basis is available.

2. Allowable Costs. The costs of all self-governance, compliance, or ethics programs, activities and offices in existence prior to when the matters described in the Preamble of this Agreement arose and which are continued by the terms of this Agreement shall be allowable costs to the extent otherwise permitted by law and regulation.



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3. Modifications of This Agreement. Any requirements imposed on Contractor by this Agreement may be discontinued by the Army at its sole discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.

4. Business Relationships with Suspended or Debarred Entities. Contractor shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or business entity that is listed by the General Services Administration (GSA) as debarred, suspended, or proposed for debarment. In order to implement this provision, Contractor shall make reasonable inquiry into the status of any such potential business partner, to include, at a minimum, review of the SAM at www.sam.gov.

5. Public Document. This Agreement is a public document that may be distributed by the Army throughout the Federal Government for official purposes and to other interested parties upon appropriate request under the Freedom of Information Act.

6. Releases. Respondents release the United States and the United States releases Respondents, and each party's respective instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims, monetary or equitable, arising out of the investigation and negotiation of this Agreement.

7. Scope of This Agreement - Suspension and Debarment for Independent Cause. This Agreement in no way restricts the authority, responsibility, or legal duty of the Army, or any other federal agency to consider and institute suspension or debarment proceedings against Contractor based upon information constituting independent cause for suspension or debarment concerning events unrelated to the facts and circumstances set out herein, including, but not restricted to, any substantive allegations of wrongdoing under any past, present, or future hotline complaint or security program investigations. The Army or any other federal agency may, in its sole discretion, initiate such proceedings in accordance with the FAR Subpart 9.4.

8. Survival of This Agreement. If, during the term of this Agreement, Contractor establishes new companies or subsidiaries, merges with another company, or transfers the entire company or major assets to new owners, it shall notify the Army 90 days in advance of such action and provide a copy of the corporate documents. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns, unless the new owners request and show good cause why it should not be applicable to their operations. Bankruptcy proceedings shall not prevent or stay the enforcement of this Agreement or any debarment proceedings the Army deems to be appropriate should the parties fail to comply with the terms of this Agreement, or engage in such other conduct that is a cause for suspension or debarment.

9. Truth and Accuracy of Submissions. Contractor represents that all written materials and other information supplied to the Army by its authorized representatives, during the course of discussion

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with the Army preceding this Agreement are true and accurate in all material respects, to the best of the Contractor's information and belief.

10. Violations of This Agreement. Any violation of this Agreement that is not corrected within ten days from the date of receipt of notice from the Army may constitute an independent cause for debarment. If correction is not possible within ten days, Contractor shall present an acceptable plan for correction within that ten-day period. The Army may, at its sole discretion, initiate suspension or debarment proceedings in accordance with FAR Subpart 9.4. Alternatively, in the event of any noncompliance, the Army may in its sole discretion extend this Agreement for a period equal to the period of noncompliance. Contractor does not, by this Agreement or otherwise, waive its right to oppose such action under FAR Subpart 9.4, or any other substantive, procedural, or due process rights it may have under the Constitution or other applicable laws or regulations of the United States.

E. ADMINISTRATION OF AGREEMENT

1. Addresses for Agreement Correspondence. All submissions required by this Agreement shall be delivered to the following addresses, or such other addresses as the parties may designate in writing.

Procurement Fraud Branch
U.S. Army Legal Services Agency
ATTN: JALS-KFLD-PF (**Pamoline J. McDonald**)
9275 Gunston Road, Suite 2100
Fort Belvoir, VA 22060-5546

2. Certification of Compliance. Within 90 days of the effective date of this Agreement, Contractor will provide the Army a certification that all terms and conditions of this Agreement have been implemented or will be satisfied within the times specified in this Agreement.

3. Access to Books and Records.

a. During the term of this Agreement, the Army Procurement Fraud Branch (PFB), or any agency or office of the Department of Defense designated by PFB for a particular inquiry, shall have the right to examine, audit, and reproduce Contractor's books, records, documents, and supporting materials related to any report, allegation or complaint of suspected wrongdoing, whether criminal, civil, administrative, or contractual and whether reported through the hotline program, or by any other means, and any resulting inquiries or investigations related thereto. Such hotline reports, inquiries, investigations (except those conducted by attorneys), and all related books, records, documents and supporting material are considered by Contractor to be administrative and managerial and are not investigations, books, records, documents, material, reports, or investigations protected by the attorney-client privilege or any other privilege. Any investigations by attorneys for Respondents will be

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considered attorney-client privileged and/or work product materials and may be protected from production.

b. Additionally, PFB or its designee shall have the opportunity to review the books, records, documents, materials, reports, and investigations directly related to compliance with this Agreement.

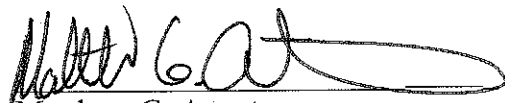
c. PFB or its designee shall also have the opportunity to interview any Contractor employee for the purpose of evaluating (1) compliance with the terms of this Agreement; (2) future compliance with federal procurement policies and regulations; and (3) maintenance of the high level of business integrity and honesty required of a Government contractor.

d. The interviews and materials described above shall be made available to PFB or its designee at company offices at reasonable times. Contractor's obligation under this Agreement with respect to employee interviews is limited to making its employees available for an interview at their place of employment during normal business hours. The individual employee shall have the right to determine whether or not to submit to an interview. To the extent it is permitted to do so by law, regulation, or policy, the Army shall protect Contractor's confidential and proprietary business information from public disclosure.

e. The materials described above shall be made available, at Contractor's offices at reasonable times for inspection, audit, or reproduction. PFB or its designee shall not copy or remove Contractor's technical or other proprietary data without Contractor's permission.

4. Corporate Officer List. Within 30 days of the effective date of this Agreement, Contractor shall provide the Army with a list of its directors and officers and a copy of its organizational chart, which will be updated, as changes occur.

5. Expiration. This Agreement shall expire at midnight one year after the effective date of this Agreement.



Matthew G. Armstrong
President
D & N Electric Company

2-25-14

DATE



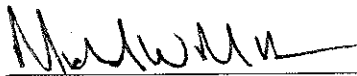
Michael Meisel
Army Suspension and Debarment Official

28 FEB 14

DATE

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Michael W. Munroe
former Secretary, DNS Consolidated, Inc.

2/25/14

DATE